



House of Representatives

General Assembly

File No. 827

January Session, 2009

House Bill No. 6288

House of Representatives, April 29, 2009

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES AND LOTTERY WINNINGS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2009*) (a) On or after January 1,
2 2010, when any person redeems a winning lottery ticket worth five
3 thousand dollars or more at the central office of the Connecticut
4 Lottery Corporation, the Connecticut Lottery Corporation shall check
5 the name and other identifying information of such person against a
6 list of taxpayers who are delinquent, supplied by the Commissioner of
7 Revenue Services.

8 (b) Notwithstanding the provisions of section 12-15 of the general
9 statutes, the Commissioner of Revenue Services may disclose to the
10 president of the Connecticut Lottery Corporation: (1) The name and
11 such other information as may be necessary to identify a person from
12 whom taxes, including penalties and interest related thereto, are due to
13 the state and unpaid when: (A) A period in excess of thirty days has
14 elapsed following the date on which such taxes were due, and (B) such

15 taxes are not the subject of a timely filed administrative appeal to said
 16 commissioner or of a timely filed appeal pending before any court of
 17 competent jurisdiction, and (2) the amount of such taxes, penalties and
 18 interest that are due from such person.

19 (c) In the event that the person redeeming a lottery ticket described
 20 in subsection (a) of this section is on the list described in said
 21 subsection (a), the Connecticut Lottery Corporation shall, subsequent
 22 to any deductions made pursuant to subsection (c) of section 52-362d
 23 of the general statutes, if applicable, deduct and withhold from the
 24 lottery prize payment payable to such person under the provisions of
 25 chapter 226 or 229a of the general statutes, the amount of such taxes,
 26 penalties and interest identified by said commissioner pursuant to
 27 subsection (b) of this section.

28 (d) The president of the Connecticut Lottery Corporation shall
 29 promptly notify the Commissioner of Revenue Services of any amount
 30 deducted and withheld under the provisions of this section and shall
 31 pay over such amount to the Commissioner of Revenue Services in
 32 accordance with said commissioner's instructions.

33 (e) For the purposes of this section, the Connecticut Lottery
 34 Corporation and its officers and employees shall be treated as officers
 35 and employees of the state, and the provisions of subsections (a), (e),
 36 (f), (g) and (h) of section 12-15 of the general statutes shall apply to the
 37 officers and employees of the Connecticut Lottery Corporation.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2009	New section
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PS *Joint Favorable C/R*

FIN

FIN *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Department of Revenue Services	GF - Revenue Gain	See Below	See Below
Department of Revenue Services	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The state will experience a revenue gain to the degree the bill results in an increase in delinquent tax payments. The bill is also expected to result in some minimal costs to the Department of Revenue Services (DRS) to establish an off-set program with the Connecticut Lottery Corporation.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 6288*****AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES AND LOTTERY WINNINGS.*****SUMMARY:**

This bill requires the Connecticut Lottery Corporation (CLC) to deduct and withhold delinquent taxes from any lottery claim of \$5,000 or more a delinquent taxpayer submits at CLC's central office on or after January 1, 2010.

The bill requires the Division of Revenue Services (DRS) commissioner to submit a list of delinquent taxpayers to CLC. It allows the commissioner to disclose to CLC (1) the name and any information necessary to identify a delinquent taxpayer and (2) the amount of taxes, penalty, and interest owed. Before paying any prize claim of \$5,000 or more, CLC must check the list. If the claimant is delinquent, CLC must withhold from the winnings and promptly notify of and forward to the commissioner the amount of taxes owed, plus penalties and interest, after deducting and withholding any amount owed for child support.

The bill applies to taxes, including penalties and interest, more than 30 days overdue and not the subject of a timely filed administrative appeal to the commissioner or a timely filed appeal pending before a court.

For the bill's purposes, CLC employees are state employees. As such, they are prohibited from disclosing any tax information they receive, except as the law requires. By law, a violation carries a fine of up to \$1,000, imprisonment for up to one year, or both.

EFFECTIVE DATE: July 1, 2009

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Change of Reference

Yea 22 Nay 0 (02/10/2009)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 54 Nay 0 (04/16/2009)